

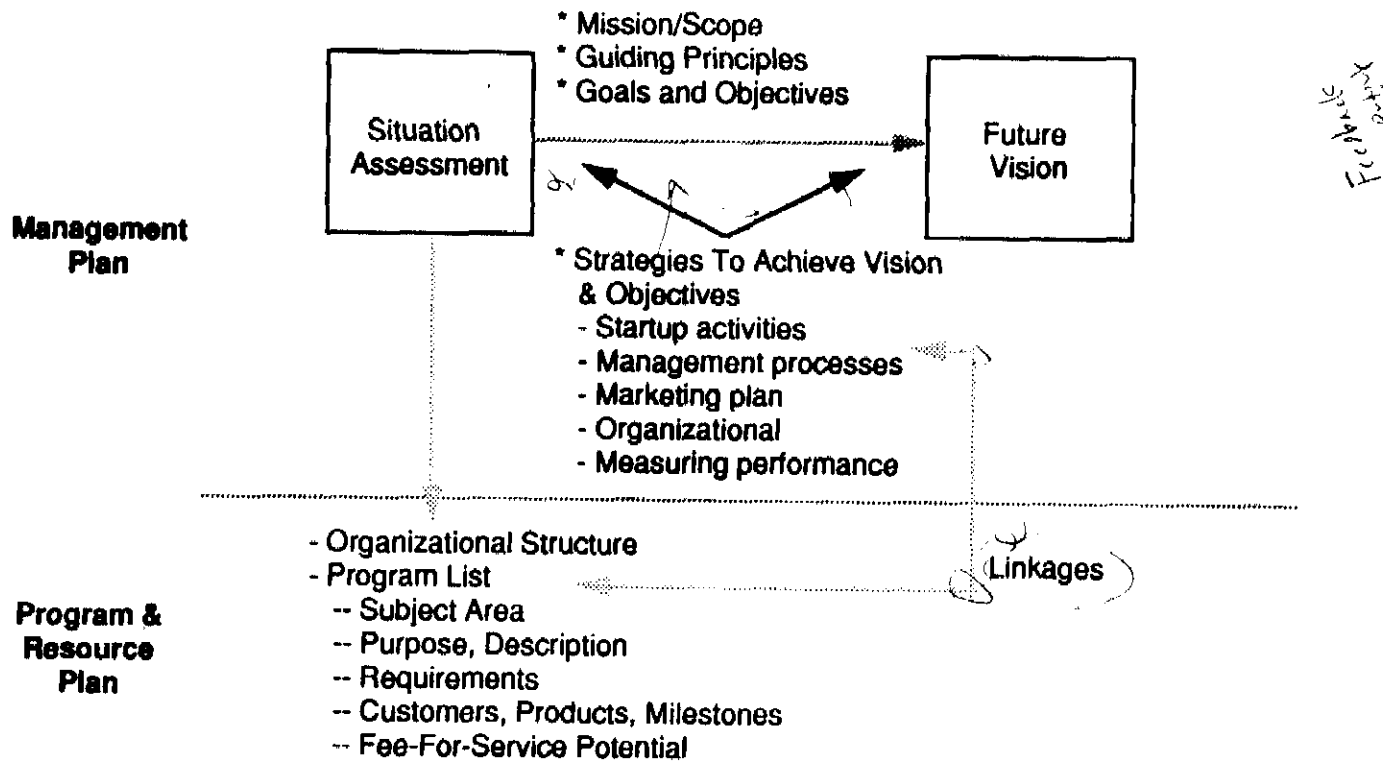
Business Plan For DISA/CIM

January 10th, 1992

Business Plan For DISA/CIM

- * Describe DISA/CIM's mission, scope, and guiding principles**
- * Describe the future vision of the Center and its current situation**
- * Expand long-term goals to set of near-term measurable objectives**
- * Strengths and weaknesses and ~~"competitive" advantages~~**
- * Describe strategies for obtaining objectives and goals**
 - Ramp-up analysis activities to implement Center business practices**
 - Management processes planned**
 - Marketing plan for business startup**
 - Summaries of products, markets, customers**
 - Organizational development and evolution**
- * Challenges/Risks**
- * Linking the Management and Program and Resource Plans**
 - Programs, resources and milestone summaries**

Business Plan Elements



Mission and Scope

*** Get existing "official" version of mission statement from DISA Plan and incorporate:**

- Low-cost provider of an integrated family of high-quality information technology services for the DoD community (CIM-internal, DISA, services, other DoD agencies, CINC-support)

- Leading provider of value-added services in the following market segment niches:

- technology assessment services**
- information architecture , standards development services**
- systems development and implementation services**
- acquisition management support services**

*** The business plan is to be applied to all levels of management and staff within the CIM and across all products and services. It does not apply to other portions of the DISA.**

Guiding Principles

- 1/10/92*
* Listen to customer and provide what is needed without overengineering
- * Center is not in business to compete with industry — *not*
- * Do not duplicate products and serve markets already being served effectively by existing vendors, other government organizations
- * Investing to build up in-house expertise (as opposed to using external assets) is preferred if future work/applications can be expected
- * Set information management and technology application directions for future and guide users and community there
- * Plan for continuous improvement and execute to achieve it
- * Achieve long-term vision in small, incremental short-term steps

Long-Term Vision For CIM (Goals)

- Management- Related

- * Corporate Information Management principles are applied and or are in use in every part of the organization**

- business practices are documented and simplified business methods are in place based on data and process models**

- business cases support all investment decisions**

- business performance measured and benchmarked favorable against best in industry, other public-sector organizations**

- * A broad, extensible product line has evolved enabling incremental delivery of improved products and services to an enlarging customer base**

- * The Center has established a reputation as a high-quality and responsive provider of value-added products and services**

- * A technically first-rate flexible, customer-oriented staff is in place with expanded job roles and organizational commitment**

(Continued)

Long-Term Vision For CIM (Goals)

- **Management- Related (continued)**

- * **All non-value-added work has been eliminated**

- * **Most of the organization's services are provided on a fee-for-service basis**

- **Prices are set using activity-based costing**

- **Technical-Related**

- * **The Center is providing technical support to facilitate improved DoD business practices and the use of the AISs which implement them**

- * **The Center is providing easy-to-apply life-cycle management tools and procedures facilitating rapid development and prototyping, evolution and delivery of IT end-products**

(Continued)

Long-Term Vision For CIM (Goals)

- Technical-Related (continued)

- * The Center's products and services are providing management of a more effective IT infrastructure within DoD**
- * The Center's products and services support reuse of software and use of warehouses/depots**
- * Leading-edge products and services are being provided which advance the state of practice inside the DoD community and externally**
- * The Center's internal information systems have been developed using information engineering practices and tools**

Situation Assessment

- * Management structure and processes evolving**
- * Preliminary analysis activities underway to implement DISA/CIM business practices including FFS**
- * Products and services being identified and grouped under directorates and FFS potential being estimated**
- * Business plan being developed with coordinated Management and Program and Resource Plans**
- * Staffing up to meet resource requirements**
- * Funding issues being sorted out**
- * Extensive use of outside contractors to help set up business**
- * Some portions of the organization providing services to customers**
- * Customers technological needs being provided in part by their own staffs and commercial vendors**

Measurable Near-Term Objectives

Management Goals	Objective Measure	Value	Time
Apply CIM	<ul style="list-style-type: none">- Document Baseline Business Methods- Build Information Architecture	All	Start FY93
Integrated Product Line As FFS	<ul style="list-style-type: none">- Transfer range of Line To FFS- Expand line		
High Quality	<ul style="list-style-type: none">- Provide rapid startup- Customer response time- customer satisfaction		
Quality Staff	<ul style="list-style-type: none">- Ratios of Mngt/Tech/Admin/Marketing/Customer Support- Certification Program		
Non-Value Added	<ul style="list-style-type: none">- Achieve 80/20 ratio of direct/indirect		

Strengths and Weaknesses

*** Strengths**

- new organization with highly motivated staff, organization/culture
- talented hand-picked staff with broad expertise
- strong history of implementing common user IS, networking, and systems engineering
- rapid startup speed by drawing on broad contractor pool
- strong sponsor support
- stable workforce
- have worked in the purple environment
- have government's best interest in mind - not motivated or driven by profit-motive constraints

*** Weaknesses**

- a strong entrepreneurial business environment not yet developed
- new concept for doing business in a FFS manner desired - policy, procedures developing
- previous organization viewed by some customers as slow, unresponsive, or anxious to overengineer
- product line uncertain

Strategy - Analysis Activities

- **Analysis Activities - in-house initiatives to implement the Center's business practices**
 - **Development of business process models**
 - **Work breakdown structure (WBS) and other methods being developed for a program management support system**
 - **Analysis of other DoD cost accounting systems to ensure consistency**
 - **Development of a fee-for-service model (see next slide) and transition plan**
 - **Benchmarking management processes**
- **Prioritization of activities & schedules**
 - **selection factors - potential benefits, importance to business, probability of success, support of goals, objectives**

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Fee-For-Service (FFS) Mod

- Identify all eligible products/services and potential cus
- Define areas of management responsibility (AMR's)
- Review and approve AMRs
- Identify current CIM cost elements
- Define service units
- Distribute service units and other cost elements between AMR's and functions
- Compute and load overhead costs by function and AMF
- Determine billing rates
- Define procedures and processes by which cost allocation be updated and maintained
- develop a man-hour accounting system
- develop a cost-estimation system

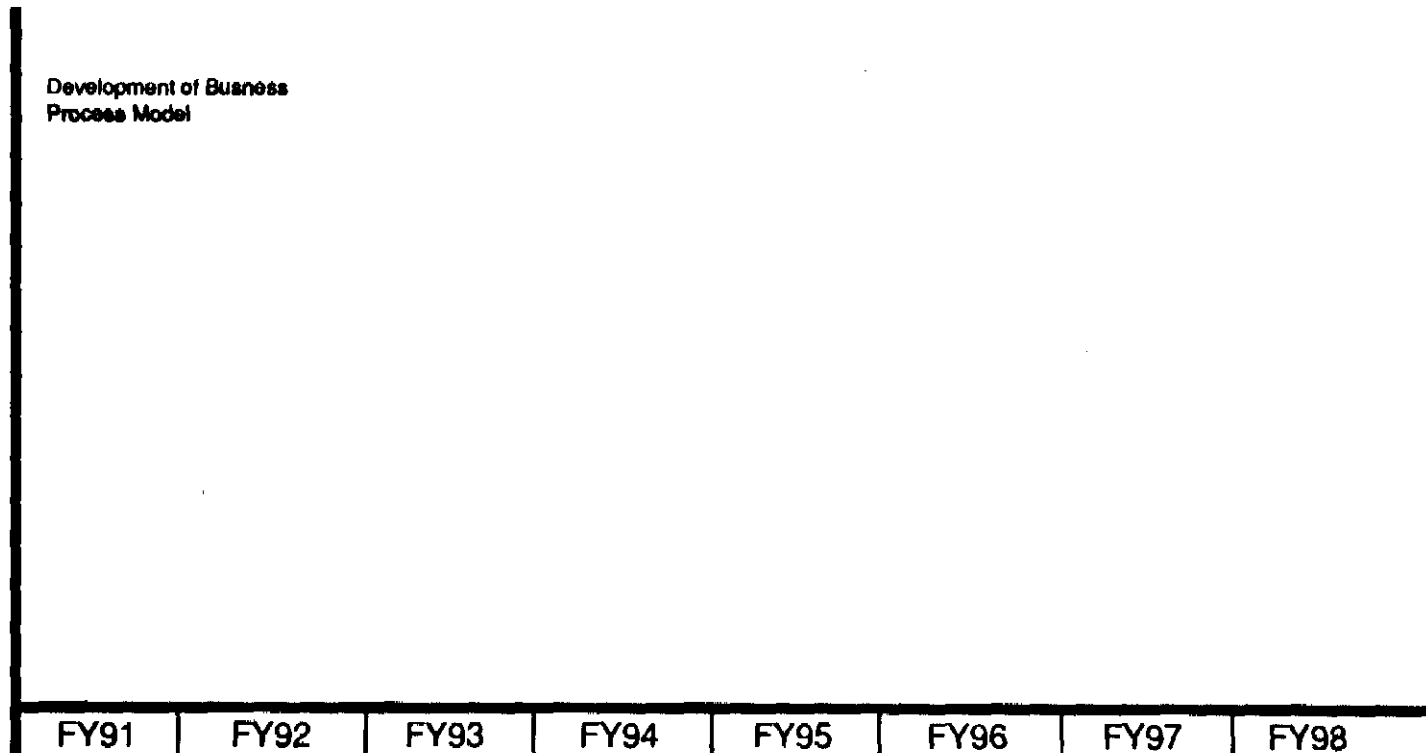
Strategy - New Management Processes

- * Developing a fee-for-service infrastructure**
 - Fee-rate setting based on activity-based costing**
 - Billing procedures and accounts receivables, using the DBOF**
- * Developing a performance measurement process linking performance measures to goals and objectives and evaluating managers against their estimates**
 - customer perspective (how do customer's see us?)**
 - internal business perspective (what must we excel at?)**
 - innovation and learning perspective (how can we continue to improve and create value?)**
- * Customer Support**
- * Market Research**

Mapping Strategy To Management Goals

Analysis Activities/ Management Processes	Management Goals						
	Apply CIM	Minimize Non-Value Added Overhead	Transfer Business To FFS	Market Share, Customer Base, Revenue Growth	Financial, DBOF, Accts. Rec. Cash Flow	Product Quality, Customer Support	Best Staff
- Analysis Activities	TP#1,2 OP#1,6*						
1) Business Process Model Dev.	X		X		X		
2) WBS For PMSS			X				
3) DoD Accounting System Review		X	X				
4) FFS Model/Transition Plan		X	X				
5) Benchmarking Mngt Processes		X	X				
- Management Processes							
1) FFS Environment		X	X	X	X		
2) Task/Program Authorization							
3) Cost Estimation		X	X				
4) Market Research			X	X			
5) Total Quality Management						X	
6) Internal CIM Training							X
7) Customer Support						X	
8) Managing Full-Service FFS Org.	X		X	X		X	
9) Monitoring Performance							

Schedule For Implementing Strategies



Strategy - Marketing Plan

- * Initial product and service offerings focus on those that are our "bread and butter" and have broad DoD applicability**
 - Emphasize those providing common benefit within DoD**
 - Build on strengths in system engineering, networking market segments to establish reputation for quality, cost-effectiveness and responsiveness**
 - will not exclude custom applications or special jobs**
 - targeted customers are Services, current DISA clients**
- * After 5-6 years, expand line to more custom applications and specialized project support**
- * Do market research and expand use of marketing methods**

Strategy - Organizational Evolution

- * Develop the Center's resource/skill mix to match current and projected customer needs**
- * Develop flexible organizational structure to rapidly respond to changing customer demands and high growth areas**
 - maximize use of staff core competencies**
- * Structure organization to maintain fully-engaged staff on billable work to meet value-added goals**
- * Use business reengineering techniques to improve organization's responsiveness to clients**
 - search out and test redesign opportunities to expand job roles, enhance employee challenges**
- * Continually benchmark against best in industry**

Challenges/Risks

- * Customer- acceptance within DoD community - convincing clients we have services they need and can provide better than they can in-house**
- * Adjusting to the DoD budgeting cycle, colors of money**
- * Ability to implement management and fee-for-service structure fast enough**
- * Integrating new staff and their expanded business roles as well as providing proper incentives to meet performance objectives**
- * Political changes and 1992 election may alter DoD further**